

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

JEFFREY SIMPSON,

Plaintiff,

- v -

JARED CHASSEN et al.,

Defendants.

Case #25-04004 (JMF)

Before the Honorable
Jesse M. Furman, U.S.D.J.

MEMORANDUM OF LAW

PRELIMINARY STATEMENT

Plaintiff Jeffrey Simpson respectfully submits this brief Memorandum of Law in support of his request for the Court's reconsideration, pursuant to Federal Rule of Civil Procedure 59(e), of the Memorandum Opinion and Order, dated June 27, 2025 (ECF doc. #31), which awarded attorneys' fees on the petition of Defendant JARED CHASSEN (ECF docs. #6-13), as joined by Defendant RECEIVER ERIC M. HUEBSCHER (ECF docs. #14, 16-17), and by Defendant ARCH REAL ESTATE HOLDINGS LLC ("AREH") (ECF docs. #24-26).

Plaintiff makes this request in light of: (1) active conflicts of interest by opposing counsel for AREH, standing alone and in conjunction with Mr. Chassen;¹ (2) evidence of a pattern of gamesmanship and forum-shopping by Simpson's adversaries, including 608941 NJ Inc. and/or 35 Oak Holdings Ltd. ("Oak"); (3) the District Court's forthcoming decision in *In re JJ Arch LLC*, Case #24-08649, which is being heard before the Honorable Jeannette A. Vargas, U.S.D.J., on review of the dismissal of the underlying bankruptcy proceeding, Case #24-10381, before the Honorable John P. Mastando III, U.S.B.J. (the "Bankruptcy Proceeding"), including findings

¹ Mr. Chassen is implicated in the conflict under an acknowledged "Common Interest, Joint Prosecution and Joint Defense Agreement" ("Joint Defense Agreement") (Index #158055/2023, NYSCEF doc. #889).

concerning Plaintiff's allegations of material misstatements by Mr. Chassen before the New York Supreme Court, in the underlying matter that was the subject of the removal in this case, *Simpson v. Chassen*, Index #158055/2023) (N.Y. Sup. Ct. N.Y. County, Comm. Div.), and in the Bankruptcy Proceeding.

STANDARD OF REVIEW

A Rule 59(e) motion may be granted to correct clear error, prevent manifest injustice, or account for newly discovered evidence or intervening changes in law. Courts may alter or amend judgment to ensure that decisions are not based on incomplete or distorted records. *United States v. Valles*, 2024 WL 1433708, at *1 (S.D.N.Y. Apr. 3, 2024) (“[A] court may grant reconsideration where the party moving for reconsideration demonstrates an ‘intervening change in controlling law, the availability of new evidence, or the need to correct a clear error or prevent manifest injustice.’” (citing *Sikhs for Justice v. Nath*, 893 F. Supp. 2d 598, 605 (S.D.N.Y. 2012) (quoting *Henderson v. Metro. Bank & Trust Co.*, 502 F. Supp. 2d 372, 375-76 (S.D.N.Y. 2007))).

ARGUMENT

I. Oak, AREH, and Chassen Are Implicated in a *Per Se* Conflict of Interest

As noted in Plaintiff's letter to the Honorable Joel M. Cohen, dated July 21, 2025, counsel for Oak and for AREH, Simpson's opposing parties in that action, also appear on both sides of action captioned *Weitschner v. 9 Vandam JV LLC*, 655573/2023 (N.Y. Sup. Ct. N.Y. County), which was brought by a shareholder in the Arch Companies against a JJ Arch LLC-affiliated entity, 9 Vandam JV LLC (Index #158055/2023, NYSCEF docs # 1694-98). The Oak-AREH conflict is actionable against Mr. Chassen, because he and Oak are admitted parties to a Joint Defense Agreement. These facial conflicts, standing alone and when combined with simultaneous allegations of misconduct by Mr. Chassen and AREH in this action, call into

question the reliability of representations made to this Court and warrant abatement of the fee award, subject to the Supreme Court having an opportunity to rule on the conflict.²

II. Defendants' Petition Was Itself the Result of Bad Faith

The Court's Memorandum Opinion and Order was based on an unopposed motion. Beyond the fact that Simpson's procedural silence was induced by circumstances which include Mr. Chassen's, Oak's, and AREH's strategic and coordinated interference with Plaintiff's "costs of defense" coverage, the Appellant Brief submitted by Plaintiff in this action, as Appellant in the *In re JJ Arch LLC, supra*, action before Judge Vargas, which contains material allegations of serious misconduct and false representations before the State and Federal Courts. (*See e.g., In re JJ Arch LLC*, Case #24-08649, App. Br., at 14, 20-21.)

III. Alternatively, Staying Briefing Would Avoid Any Risk of Inconsistency

The District Court's ultimate decision in the JJ Arch bankruptcy appeal pending before Judge Vargas bears directly on the substantive issues of Simpson's allegations of bad faith and retaliation by co-parties Mr. Chassen and AREH in this action. For these reasons, Plaintiff respectfully requests that, in the alternative to striking down the fee petition, the issue be stayed pending the District Court's final determination in the *In re JJ Arch LLC, supra* matter.

CONCLUSION

For the foregoing reasons, Plaintiff respectfully requests that the Court grant this motion to alter or amend its judgment under Rule 59(e), or in the alternative, stay the fee briefing and decision until the conclusion of the above-referenced proceedings.

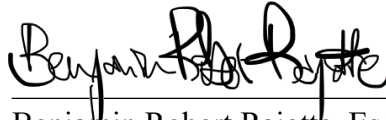
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² Undersigned counsel intends to present the issue formally through a Notice of Related Action and request seeking the Supreme Court's guidance on how to proceed.

Respectfully submitted,

Dated: July 25, 2025
Hartford County, Connecticut

MAIDEN LANE LAW GROUP

A handwritten signature in black ink, appearing to read "Benjamin Robert Rajotte", written over a horizontal line.

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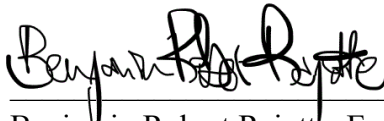
VERIFICATION

I, Benjamin Robert Rajotte, Esq., pursuant to 28 U.S.C. § 1746, declare under penalty of perjury that this submission is true and correct to the best of my knowledge, information, and belief, formed after an inquiry reasonable under the circumstances.

Respectfully submitted,

Dated: July 25, 2025
Hartford County, Connecticut

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